

CITY OF WEST TORRENS



Notice of Committee Meeting

NOTICE IS HEREBY GIVEN in accordance with Sections 87 and 88 of the *Local Government Act 1999*, that a meeting of the

AUDIT GENERAL COMMITTEE

Members: Councillor J Woodward (Presiding Member),
Councillor D Huggett
Independent Members: E Moran, A Rushbrook

of the

CITY OF WEST TORRENS

will be held in the Mayor's Reception Room, Civic Centre
165 Sir Donald Bradman Drive, Hilton

on

TUESDAY, 10 AUGUST 2021
at 6.00pm

Public access to the meeting will be livestreamed audio only at the following internet address: <https://www.westtorrens.sa.gov.au/livestream>

Angelo Catinari
Chief Executive Officer (Acting)

City of West Torrens Disclaimer

Please note that the contents of this Committee Agenda have yet to be considered by Council and Committee recommendations may be altered or changed by the Council in the process of making the formal Council decision.

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1 MEETING OPENED

1.1 Acknowledgement of Country

At the opening of the Audit General Committee Meeting, the Presiding Member will state:

"West Torrens City Council acknowledges that we are meeting on the traditional Country of the Kurna people of the Adelaide Plains and pays respect to Elders past, present, and emerging.

We recognise and respect their cultural heritage, beliefs and spiritual relationship with the land, sea, waterways and sky.

We acknowledge that they are of continuing importance to the Kurna people living today."

1.2 Evacuation Procedures

1.3 Electronic Platform Meeting

The Presiding Member will advise that:

"This meeting is being audio livestreamed for the benefit of members of the public who wish to listen to proceedings and the recording of this meeting will be available for playback via a link on Council's website."

2 PRESENT

3 APOLOGIES

4 DISCLOSURE STATEMENTS

Committee Members are required to:

1. Consider Section 73 and 75 of the *Local Government Act 1999* and determine whether they have a conflict of interest in any matter to be considered in this Agenda; and
2. Disclose these interests in accordance with the requirements of Sections 74 and 75A of the *Local Government Act 1999*.

5 CONFIRMATION OF MINUTES

RECOMMENDATION

That the Minutes of the meeting of the Audit General Committee held on 8 June 2021 be confirmed as a true and correct record.

6 COMMUNICATION BY THE CHAIRPERSON

7 PRESENTATIONS

Nil

8 OUTSTANDING REPORTS/ACTIONS

8.1 Audit General Committee Work Plan

Brief

This report presents the April 2021 to October 2022 Annual Work Plan of the Audit General Committee.

RECOMMENDATION

It is recommended to the Committee that this report be received.

Introduction

At its 8 June 2021 meeting, the Audit General Committee (Committee) requested that the Work Plan for the Committee be included in future agendas.

Discussion

The Work Plan identifies the actions and time lines of the Committee for the period April 2021 to October 2022, being the conclusion of the current term of the Committee. It is included as a standing report in each Committee agenda.

The actions detailed on the Work Plan are those contained within the Audit General Committee's Terms of Reference and are aligned with the UK Financial Reporting Council Corporate Governance Code (FRC Code).

It is important to note that the actions and timeframes contained in the Work Plan are indicative only given the various changes and unexpected events that occur throughout each year.

In addition to this report, and as per the Committee Work Plan, the following four (4) items are included in this Agenda:

- Open Actions Update
- Financial Reporting
- 2021 - 2022 Internal Audit Program Update
- Kerbside Waste Management Services Report

Climate Impact Considerations

(Assessment of likely positive or negative implications of this decision will assist Council and the West Torrens Community to build resilience and adapt to the challenges created by a changing climate.)

There is no direct environmental impact in relation to this report.

Conclusion

This report presents an Audit General Committee Work Plan.

Attachments

1. Audit General Committee Work Plan

Audit General Committee Work Plan 2021-2022

Action	Meetings												Frequency	ToR Reference	
	Apr-21	Jun-21	Aug-21	Oct-21	Feb-22	Apr-22	Jun-22	Aug-22	Oct-22						
External Audit														Annually	Obj. 2
External Auditors present external audit findings															
Financial Reporting															
Receive an overview of Draft Annual Business and Budget Plan (10 year Financial Plan)														Annually	Obj. 2
Review Statutory Financial Statements														Annually	Obj. 2
Receive Financial Reports Summary														Each meeting	NA
Review the adequacy of the accounting, internal control, reporting and other financial management systems and practices														As required	Obj. 2
Internal Audit															
Internal audit reports															
Status update of Internal Audit Plan 2021														As required	Obj. 2
Progress on outstanding Audit Recommendations														As required	Obj. 2
Risk Management														Biannually	Obj. 2
Receive Strategic Risk Reviews															
														Biannually	Obj. 2
Other															
Review Committee's Annual Work Plan														Each meeting	NA
Open Actions Update														Each meeting	NA

8.2 Open Actions Update

Brief

This report presents an update on the current status of open actions from previous meetings of the Audit General Committee.

RECOMMENDATION

It is recommended to the Committee that it notes the eight (8) open actions which are currently in progress or complete.

Introduction

A report is presented to each ordinary meeting of the Audit General Committee (Committee) detailing the status of open actions from previous Committee meetings.

Discussion

Five (5) actions arose from the 13 October 2020 meeting. Four (4) of these actions relate to amendments to the Comprehensive Strategic Risk Review process which is due, as per the *Enterprise Risk Management Framework*, to be presented to the Committee at its 12 October 2021 meeting. The remaining action relates to an external evaluation to be completed in 2021.

An action arose at the 13 April 2021 Committee meeting regarding strategic risk reporting with a similar action raised at the 8 June 2021 Committee meeting (Items 6 and 8). These actions are the same and will be completed by November 2021.

An additional action arose from the 8 June 2021 meeting which has been completed.

Further information regarding these actions is provided as an attachment to this report (**Attachment 1**).

Climate Impact Considerations

(Assessment of likely positive or negative implications of this decision will assist Council and the West Torrens Community to build resilience and adapt to the challenges created by a changing climate.)

There is no direct environmental impact in relation to this report.

Conclusion

This report advises that there are eight (8) open actions including one (1) action marked as complete.

Attachments

1. Open Actions Update

Audit General Committee Open Actions

August 2021

EMT = Executive Management Team
 CEO = Chief Executive Officer
 GMB&CS = General Manager Business & Community Services
 GMCRR = General Manager Corporate & Regulatory
 GMUS = General Manager Urban Services
 MLRI = Management Lead - LG Reform and Integrity

	Target date	RO	Status		Meeting/s where item originally reported
			Actions taken	Status	
OPEN ACTIONS					
1	October 2021	MLRI	Inherent Risk Rating will be added to the Mid-year and Annual Strategic Risk Review	In Progress	October 2020
2	October 2021	MLRI	Detailing in future Strategic Risk Reviews how the effectiveness of the strategic risk controls is determined and who assesses the effectiveness of controls	In Progress	October 2020
3	October 2021	MLRI	Include additional controls to mitigate the financial impact of an increasing waste levy in Strategic Risk Review Report Item 12 - Waste Management	In Progress	October 2020
4	October 2021	MLRI	Include additional controls to mitigate the impact of urban densification in Strategic Risk Review Report Item 11 - Urban Densification	In Progress	October 2020

Audit General Committee Open Actions

August 2021

EMT = Executive Management Team
CEO = Chief Executive Officer
GMB&CS = General Manager Business & Community Services
GMCR = General Manager Corporate & Regulatory
GMUS = General Manager Urban Services
MLRI = Management Lead - LG Reform and Integrity

	Target date	RO	Status		Meeting/s where item originally raised/reported
			Actions taken	Status	
5	October 2021	GMCR	<p>While not within the remit of the committee, a summary of the organisation's WHS statistics will be provided together with the mandated LGAWCS Evaluation report.</p> <p>The required LGAWCS Evaluation has commenced. This evaluation assesses the performance of the CWT against selected elements and sub-elements of the standards of focus this evaluation for self-insurers (PSSI). The LGAWCS will conduct interviews with the CWT between 10 and 12 August 2021.</p>	In Progress	October 2020
6	February 2022	GMB&C	Strategic risks to be included in Annual report as per Open Action 8 below.	In progress	April 2021
7	August 2021	MLRI	Standing item added to Audit General Committee agenda for each meeting	Completed	June 2021
8	February 2022	MLRI	Annual report (2020/2021) currently being drafted. Completion will be November 2021.	In progress	June 2021

9 REPORTS OF THE CHIEF EXECUTIVE OFFICER

9.1 FINANCIAL REPORTING AND SUSTAINABILITY

9.1.1 Financial Reporting

Brief

This report lists those finance related reports which were considered by Council between 20 May 2021 and 21 July 2021.

RECOMMENDATION

It is recommended to the Committee that the Financial Reporting report be received.

Introduction

The Audit General Committee (Committee) is presented with a list, at each of its ordinary meetings, of those finance related reports considered by Council since the Committee's last ordinary meeting. These reports and associated minutes, which are detailed below, are available on Council's website at www.westtorrens.sa.gov.au.

Discussion

1 June 2021 - Council and Committee Meeting

- Nil

15 June 2021 - Council and Committee Meeting

- Public Consultation on the Draft Budget and Annual Business Plan 2021/22
- Creditor Payments
- Council Budget Report - ELEVEN Months to 31 May 2021

6 July 2021 - Council and Committee Meeting

- Adoption of the Budget and Annual Business Plan and Declaration of the Rates for 2021/22

20 July 2021 - Council and Committee Meeting

- Creditor Payments
- Property Leases

Climate Impact Considerations

(Assessment of likely positive or negative implications of this decision will assist Council and the West Torrens Community to build resilience and adapt to the challenges created by a changing climate.)

There is no direct environmental impact in relation to this report.

Conclusion

This report lists those finance related reports which were considered by Council between 20 May 2021 and 21 July 2021.

Attachments

Nil

9.2 INTERNAL CONTROLS AND RISK MANAGEMENT SYSTEMS

Nil

9.3 INTERNAL AUDIT

9.3.1 2021 - 2022 Internal Audit Program Update

Brief

This report presents the 2021 - 2022 Internal Audit Program Update.

RECOMMENDATION

It is recommended to the Committee that *2021 - 2022 Internal Audit Program Update* report be noted.

Introduction

At its 17 April 2019 meeting, the Audit General Committee (Committee) noted the approved 2018-2022 Internal Audit Plan (Plan).

Each year the Plan is extrapolated into an annual Internal Audit Program (Program) with an update on the current status of the Program presented to each meeting of the Committee.

Discussion

Below is a summary of the current status of all planned audits contained in the 2021-2022 Program, as at 26 July 2021. However, the full Program update is attached for further information (**Attachment 1**).

Audit Status	19/20 Carry Overs	20/21 Carry Overs	21/22 Audits	Total
In Progress		4	2	6
Completed		1		1
Not yet commenced			4	4
Cancelled				0
New Audits Added				0
Total Audits Programmed (excluding staged audits)				11
Audit Status (Staged Audits)	19/20 Carry Overs	20/21 Carry Overs	21/22 Audits	Total
Staged Audits Complete				0
Staged Audits in Progress or Next Stage Not Started				0
Not yet commenced	1	1		2
Total Staged Audits				2
Total Audits				13

The ongoing COVID-19 pandemic continues to impact the ability for Audit to coordinate and undertake audits given the audit function is also jointly responsible for business continuity and emergency management, with the ongoing need for significant resources to be directed to the ongoing response and associated recovery efforts of COVID-19 across the organisation.

The delay in the commencement of the *Planning and Design Code* has also delayed the start of the first stage of the *Planning, Design and Infrastructure Act 2016* legislative compliance audit. As such, this has been rescheduled to a later date when the Code has been 'bedded down'.

As a result of these delays, the outstanding audits from 2019/2020 and 2020/2021 have been carried over to the 2021/2022 Internal Audit Program which extends to the end of the Committee term. Therefore the 2021/2022 Internal Audit Program operates for almost 15 months.

Climate Impact Considerations

(Assessment of likely positive or negative implications of this decision will assist Council and the West Torrens Community to build resilience and adapt to the challenges created by a changing climate.)

There is no direct environmental impact in relation to this report.

Conclusion

COVID-19 continues to have an impact on the implementation of the *Internal Audit Program 2021-22* particularly during the first half of last financial year, and the lockdown and restrictions in July of this financial year. However, overall, seven (7) of the thirteen (13) planned audits (54 per cent) are in progress or have been completed or closed out as at 26 July 2021.

Attachments

- 1. 2021-2022 Internal Audit Plan Update as at 26 July 2021**

2021/22 Internal Audit Program

Report as at 26 July 2021

Audit No.	Internal Audit	Audit Objectives	Due Date	Status	Comments
Status of 2019/20 Internal Audits (Carry Overs)					
Staged Audits					
1	PDI Act and Regulations Implementation (Stage 1)	This audit will review the legislative compliance of the CWT development processes as well as provide an assurance audit on the supporting frameworks in place such as delegations, authorisation, policies, procedures and plans.	April 2021	Not Started	<ul style="list-style-type: none"> Delay in the implementation of the PDI Act and associated regulations and documents mean that the timing of this audit has been reviewed to ensure maximum value. At this stage it is programmed to commence in the second half of the 2020-2021 year Phase 3 Planning Code commenced in early 2021. The progress of process implementation will be closely monitored internally to facilitate the appropriate timing of this audit.
Status of 2020/2021 Internal Audits (Carry Overs)					
Staged Audits					
1	PDI Act and Regulations Implementation (Stage 2)	This audit will review the legislative compliance of the CWT development processes as well as provide an assurance audit on the supporting frameworks in place such as delegations, authorisation, policies, procedures and plans.	June 2021	Not Started	<ul style="list-style-type: none"> Phase 3 Planning Code commenced in early 2021. The progress of process implementation will be closely monitored internally to facilitate the appropriate timing of this audit. Delay in the implementation of the PDI Act and associated regulations and documents means the timing of this audit will need to be reviewed to ensure maximum value. At this stage it is still programmed to commence in the 2021-2022 year This is stage 2 of the two stage audit process.

Not Started	In Progress	Complete	Deferred	Cancelled
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Report as at 26 July 2021

2021/22 Internal Audit Program

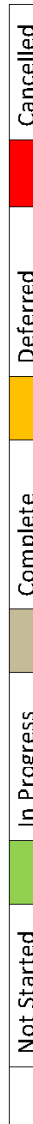
Audit No.	Internal Audit	Audit Objectives	Due Date	Status	Comments
Assurance Audits					
2	Flooding controls and prevention	This audit seeks to review the CWT Hazard Plan regarding flooding to assess the PPRR measures in place regarding flooding to ensure the city is appropriately prepared for flooding.	October 2021	In Progress	<ul style="list-style-type: none"> Audit Scope drafted and presented to the April 2021 Committee meeting. Opening meeting held 4 May 2021 Interviews conducted.
Legislative Compliance Audits					
3	Expiation, Fines and Enforcements - Collecting fines	A legislative compliance audit to be undertaken by a legal auditor reviewing CWT compliance with fine and expiation handling.	October 2021	In Progress	<ul style="list-style-type: none"> Audit Scope drafted and presented to the April 2021 Committee meeting. Scope merged with Local Nuisance and Litter Control Act legislative compliance audit planned for 2021/2022 to increase value to the organisation and ensure efficiency Audit has commenced and evidence provided to auditor in July 2021. Interviews delayed due to Level 4 and 5 COVID-19 restrictions.
Third Party Audits (External)					
4	Vic Roads Annual Audit (Third Party Audit)	An annual Internal Audit which is mandated as part of the agreement with Vic Roads.	July 2021	Complete	<ul style="list-style-type: none"> Audit completed and provided to VicRoads in July 2021.
WHS Audits					
5	WHS/IM KPI Audit against PSSI	An annual audit mandated by the Scheme.	TBA	In Progress	<ul style="list-style-type: none"> WHS/IM KPI Audit is has now been renamed by the LGAWCS as the WHS and IM Evaluation Audit commenced and due for completion October 2021 in accordance with timeframes designated by LGAWCS

Not Started	In Progress	Complete	Deferred	Cancelled

Report as at 26 July 2021

2021/22 Internal Audit Program

Audit No.	Internal Audit	Audit Objectives	Due Date	Status	Comments
6	WHS Training and Education	WHS training and education contribute to the overall WHS culture at the CWT. It has been highlighted in numerous WHS audits that this is an important factor in ensuring that WHS is an ongoing concern.	October 2021	In Progress	<ul style="list-style-type: none"> Audit Scope drafted and presented to the April 2021 Committee meeting. Audit commenced and interviews conducted in July 2021. Draft audit report received July 2021.
Status of 2021/2022 Internal Audits					
Assurance Audits					
1	Insurances	A risk identified by Financial Services highlighted the need for the organisation to hold appropriate insurance policies to ensure appropriate coverage in the event of a claim. This audit seeks to review the coverage provided by each insurance policies and identify potential gaps.	February 2022	Not Started	
2	Cyber Security	With the level of hacking into corporate networks increasing at an alarming rate over the last decade, the security of information is an increasing risk to the CWT. The motivations of hackers can vary substantially. This audit seeks to identify gaps in the policies, procedures and practices within the CWT pertaining to information security and IT infrastructure as well as assessing the network architecture to evaluate whether the security supports risk tolerance levels and business objectives.	February 2022	In Progress	<ul style="list-style-type: none"> Scope currently being drafted
Legislative Compliance Audits					
3	Local Nuisance and Litter Control Act 2016	A legislative compliance audit to be undertaken by a legal auditor reviewing CWT	October 2021	In Progress	<ul style="list-style-type: none"> Audit Scope drafted and presented to the April 2021 Committee meeting.



2021/22 Internal Audit Program

Report as at 26 July 2021

Audit No.	Internal Audit	Audit Objectives	Due Date	Status	Comments
		compliance relating to the <i>Local Nuisance and Litter Control Act 2016</i> .			<ul style="list-style-type: none"> • Scope merged with Expiation, Fines and Enforcements - Collecting fines legislative compliance audit planned for 2020/2021 to increase value to the organisation and ensure efficiency • Audit has commenced and evidence provided to auditor in July 2021. • Interviews delayed due to Level 4 and 5 COVID-19 restrictions.
Third Party Audits (External)					
4	Vic Roads Annual Audit (Third Party Audit)	An annual Internal Audit which is mandated as part of the agreement with Vic Roads.	July 2022	Not Started	<ul style="list-style-type: none"> • To be advised when audit is to commence by VicRoads
WHS Audits					
5	WHS/IM KPI Audit against PSSI	An annual audit mandated by the Scheme.	TBA	Not Started	<ul style="list-style-type: none"> • Have not yet been advised of start date
Facilitative Audit					
6	Corporate Planning Framework	The objectives of the audit are to evaluate and report on the adequacy and effectiveness of the CWT's alignment of strategic planning processes and budget planning processes. This includes the processes used in developing strategic, budget and business plans, how they are aligned through to action and service planning processes. In addition, the audit will determine compliance with relevant policies.	June 2022	Not Started	

Not Started	In Progress	Complete	Deferred	Cancelled
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9.4 EXTERNAL AUDIT

Nil

9.5 COMMITTEE PERFORMANCE AND REPORTING

Nil

10 OTHER BUSINESS

11 CONFIDENTIAL

11.1 Kerbside Waste Management Services

Reason for Confidentiality

The Committee is satisfied that, pursuant to Section 90(3)(g) and (j)(i) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this agenda item is:

- (g) matters that must be considered in confidence in order to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty.
- (j)(i) information the disclosure of which - would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the Council, or a person engaged by the Council).

RECOMMENDATION

It is recommended to the Committee that:

1. Pursuant to Section 90(2) of the *Local Government Act 1999*, the Committee orders, that the public, with the exception of the Chief Executive Officer and the members of the Executive and Management Teams in attendance at the meeting, and meeting secretariat staff, be excluded from attendance at so much of the meeting as is necessary to receive, discuss and consider in confidence, information contained within the confidential report Item 11.1 - Kerbside Waste Management Services, attachments and any associated documentation submitted by the Chief Executive Officer, specifically on the basis of the provisions of Section 90(3)(g) and (j)(i) because the [REDACTED] has directed that all communication regarding [REDACTED] (including email correspondence) be treated as confidential and not made publicly available or published (such as in the Council minutes) until the report is finalised.
2. At the completion of the confidential session the meeting be re-opened to the public.

12 NEXT MEETING

12 October 2021, 6.00pm in the Mayor's Reception Room.

13 MEETING CLOSE